



Procurement, Inventory, Distribution

Kaizen Event Report Out

By:

Early Adapters

January 27, 2006



Background

Brad Hier & Sandy Scheib

- Department of Corrections Transformation
- Reference Point Initiative
- Implement “Best Practices” in Procurement
 - Leverage Economies of Scale
 - Foster Collaborative Partnerships
 - Seek New Opportunities
 - Align Process With Customer Needs



Team Members

Lettie Prell

- Sandy Scheib, DOC, Ft. Dodge, Business Office
- Brad Hier, DOC, Ft. Madison, Business Office
- Chad Squires, DOC, Newton, IPI Canteen
- Carl Buck, DOC, Clarinda, Business Office
- Jill Kennebeck, DOC, Anamosa, Purchasing
- Michael Carter, DOC, Ft. Madison, Food Service
- Rich Canham, DOC, Mitchellville, Food Service
- Doug Williams, DOC, Rockwell City, Business Office
- Lisa Oswald, DOC, Anamosa, Budget
- Nancy McNamara, DOC, Newton, Food Service
- Val Evans, DOC, Newton, Business Office
- Dawn Fulton, DOC, Ft. Dodge, Purchasing
- Carol Manternach, DOC, Oakdale, Purchasing
- Marc Eby, DOC, Oakdale, Info Technology
- Terry Donahue, DOC, Oakdale, Business Office
- Tony Morris, DHS, Cherokee, Business Office
- Chuck McCloud, DHS, Woodward, Warehouse
- Debbie O'Leary, DAS, General Services Enterprise
- Ken Paulsen, DAS, General Services Enterprise
- Lois Schmitz, DAS, General Services Enterprise
- Mark Freland, IVH, Food Service
- Colleen Breuer, MPCF, Food Service



Objectives

Doug Williams

1. Standardize products.
2. Reduce overall costs for commodity types, transportation and inventory.
3. Improve efficiency to ensure the right product in the right quantity and quality at the right time.
4. Reduce the time of order to delivery.
5. Leverage technology.
6. Reduce the number of steps in the purchasing process.
7. Review contract and bidding process.
8. *Increase or reallocate use of inmate labor.*
9. Review IPI waiver process.



Goals

Tony Morris

1. Standardize top twenty line items.
2. Increase the number of inventory turns by X%.
3. Establish delivery standards.
4. Reduce the number of steps in the purchasing process by 75%.
5. Define the parameters of a common inventory management system.
6. Reallocate inmate labor to strategic initiatives by 100%.

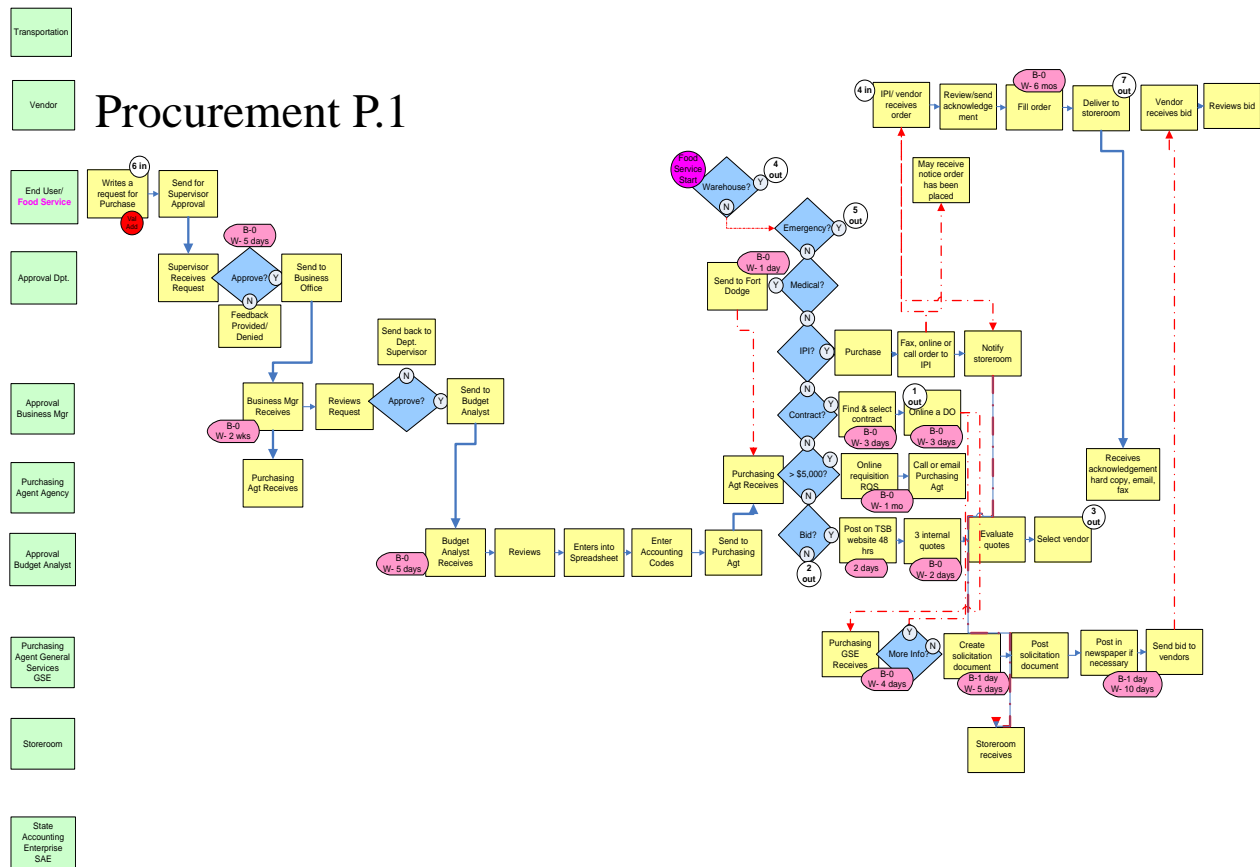


Kaizen Methodology

Lettie Prell

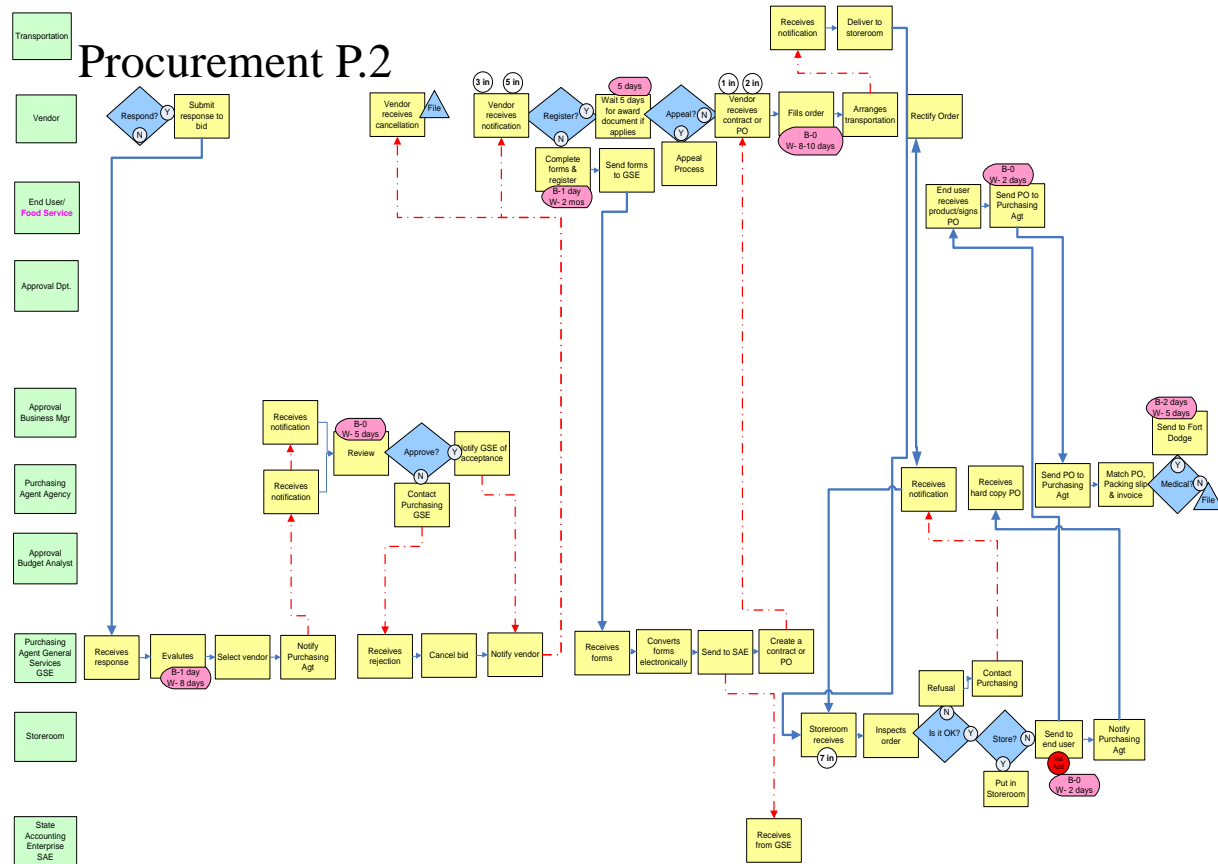
- Clear objectives
- Team process
- Tight focus on time
- Eliminate waste
- Quick & simple
- Creativity vs. capital
- Immediate results (“quick wins” to add value)
- 5S “mindset” – sort, set order, shine, standardize, sustain -- to support event activities

Dawn Fulton



Old Process

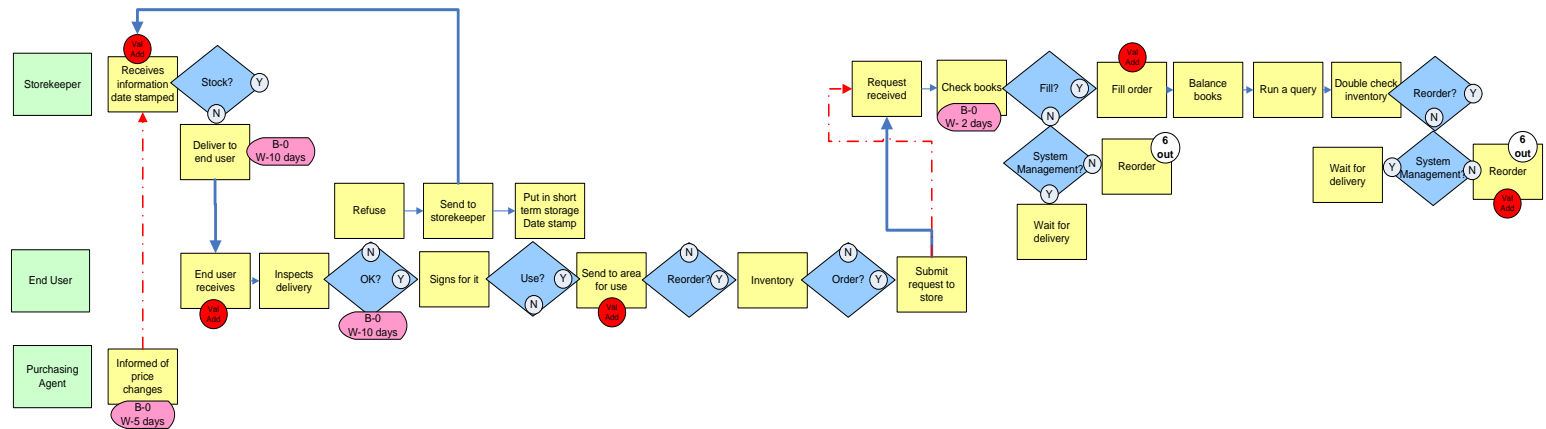
Dawn Fulton



Old Process

Carl Buck

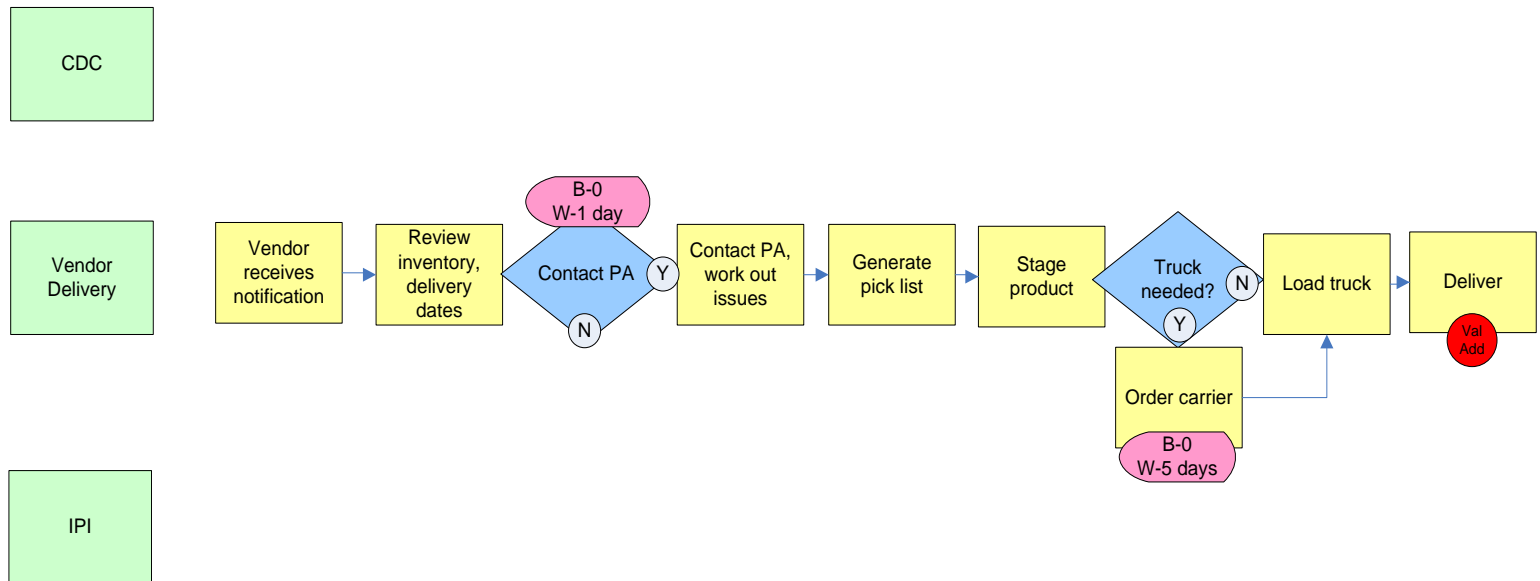
Inventory



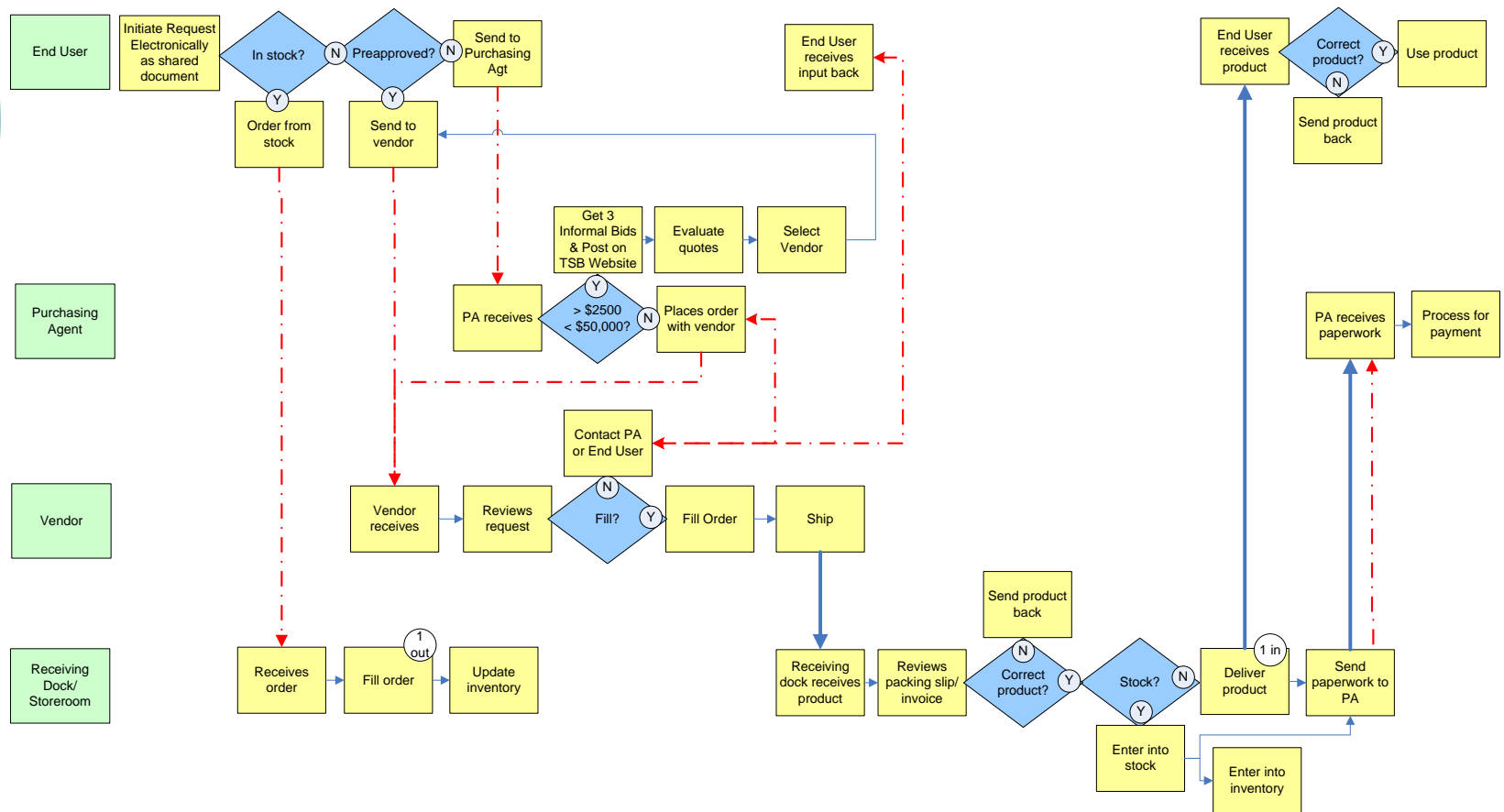
Old Process

Nancy McNamara

Delivery



Carol Manternach





Results

Lisa Oswald

	Old	New	% Change
# of Steps	118	30	-75%
# of Handoffs	35	3	-91%
# of Decisions	28	7	-75%
# of Loopbacks	9	2	-78%



Results

Jill Kennebeck

	Old	New	% Change
# of Delays	27	2	-93%
Delay Days (Best Case)	0	0	--
Delay Days (Worst Case)	388	7	-98%
# of Value Added Steps	2	2	--
% of Steps with Value-Added	4%	7%	75%



Implemented

Val Evans

- Standardize Food, Other Products
- Contracts, Redefine Purchasing Agent Role, Charter Agency
- I3: Functionality, Training, 3Way Match, Auditor, DOC Pilot
- End User: Define/Standardize Preapproval Process
- Inventory Management

Homework

Val Evans, Mike Carter, Jill Kennebeck, Lisa Oswald, Brad Hier & Carl Buck

Item	Item Description	Person Responsible	Due Date
1	Standardize Food	Mike Carter Nancy McNamara	30 days
2	Standardize Other Products	Val Evans Dawn Fulton	30 days
3	Contract, PA Role, Charter Agency	Jill Kennebeck Debbie O'Leary	30 days
4	I/3 Functionality, Training, etc.	Lisa Oswald Lois Schmitz	30 days
5	Define/Standardize Preapproval Process	Brad Hier Debbie O'Leary	30 days
6	Inventory Management	Carl Buck Sandy Scheib	30 days



Parking Lot

Ken Paulsen

- Purchasing Agent: Define Role, Contract Management
- Inventory Pull vs. Push
- Safety Stock Inventories
- Medical Model (FDCF)
- Notifications via Shared Document
- I3 Functionality & Training



Team Member Experiences

Debbie O'Leary

Terry Donahue


Colleen Breuer



“Where there is no standard, there can be no Kaizen.” -- Taiichi Ohno

Comments

Lettie Prell



We welcome your
questions and comments!